

**ALASKA STATE LEGISLATURE**  
**SENATE EDUCATION STANDING COMMITTEE**

March 13, 2017

8:04 a.m.

**MEMBERS PRESENT**

Senator Shelley Hughes, Chair  
Senator Cathy Giessel  
Senator John Coghill  
Senator Tom Begich

**MEMBERS ABSENT**

Senator Gary Stevens

**COMMITTEE CALENDAR**

SENATE BILL NO. 17

"An Act authorizing the University of Alaska to establish, through an agreement with the University of Hawaii, the Ted Stevens - Daniel K. Inouye Exchange Program for political science students at the University of Alaska and the University of Hawaii to commemorate the bipartisan friendship between Senator Ted Stevens and Senator Daniel K. Inouye."

- MOVED SB 17 OUT OF COMMITTEE

SENATE BILL NO. 66

"An Act redesignating the Alaska State Council on the Arts as a public corporation and governmental instrumentality of the state; defining the powers and duties of the Alaska State Council on the Arts; providing exemptions from certain statutes for the Alaska State Council on the Arts; making conforming amendments; and providing for an effective date."

- MOVED SB 66 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 17

SHORT TITLE: STEVENS/INOUE UNIVERSITY EXCHANGE PROG.

SPONSOR(S): SENATOR(S) COSTELLO

01/13/17           (S)           PREFILE RELEASED 1/13/17

01/18/17 (S) READ THE FIRST TIME - REFERRALS  
01/18/17 (S) EDC  
03/10/17 (S) EDC AT 8:00 AM BUTROVICH 205  
03/10/17 (S) Heard & Held  
03/10/17 (S) MINUTE(EDC)  
03/13/17 (S) EDC AT 8:00 AM BUTROVICH 205

BILL: SB 66

SHORT TITLE: ST. COUNCIL ON THE ARTS: PUBLIC CORP.

SPONSOR(s): EDUCATION

02/22/17 (S) READ THE FIRST TIME - REFERRALS  
02/22/17 (S) EDC, FIN  
03/03/17 (S) EDC AT 8:00 AM BUTROVICH 205  
03/03/17 (S) Heard & Held  
03/03/17 (S) MINUTE(EDC)  
03/10/17 (S) EDC WAIVED PUBLIC HEARING NOTICE, RULE  
23  
03/10/17 (S) EDC AT 8:00 AM BUTROVICH 205  
03/10/17 (S) <Bill Hearing Canceled>  
03/13/17 (S) EDC AT 8:00 AM BUTROVICH 205

**WITNESS REGISTER**

SAICHI OBA, Associate Vice President for Students  
University of Alaska  
Fairbanks, Alaska

**POSITION STATEMENT:** Answered questions related to SB 17.

SENATOR MIA COSTELLO  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 17.

BEN BROWN, Chair  
Alaska State Council on the Arts  
Juneau, Alaska

**POSITION STATEMENT:** Presented information on SB 66.

**ACTION NARRATIVE**

8:04:18 AM

**CHAIR SHELLEY HUGHES** called the Senate Education Standing Committee meeting to order at 8:04 a.m. Present at the call to order were Senators Giessel, Begich, Coghill, and Chair Hughes.

**SB 17-STEVENSON/INOUE UNIVERSITY EXCHANGE PROG.**

[8:04:44 AM](#)

CHAIR HUGHES announced that the first order of business would be SB 17. She related that it is the second hearing on SB 17 and she would look to the will of the committee to move the bill.

[8:05:16 AM](#)

SENATOR GIESSEL asked Mr. Oba about a statement he made last week regarding University of Alaska (UA) in-state tuition.

SAICHI OBA, Associate Vice President for Students, University of Alaska, answered questions related to SB 17. He explained the residency requirements for in-state tuition at UA. He clarified that often students use their time in attendance toward the 12-month requirement for residency. The bigger test now, following a residency audit that was a part of a permanent fund audit, is to use the permanent fund standards as a test for residency.

SENATOR GIESSEL thanked Mr. Oba for the information.

[8:07:54 AM](#)

SENATOR MIA COSTELLO, Alaska State Legislature, sponsor of SB 17, noted that UA has submitted a letter of support for SB 17. She thanked the committee for hearing the bill.

[8:08:14 AM](#)

SENATOR GIESSEL moved to report SB 17, version 30-LS0245\J, from committee with individual recommendations and attached fiscal note.

CHAIR HUGHES announced that without objection, SB 17 passed from the Senate Education Standing Committee.

[8:08:53 AM](#)

At ease

**SB 66-ST. COUNCIL ON THE ARTS: PUBLIC CORP.**

[8:10:10 AM](#)

CHAIR HUGHES announced that the final order of business would be SB 66. It is the second hearing on the bill and she would look to the will of the committee to move the bill.

As sponsor, she noted they are not bringing a new CS forward today due to its lacking transitional language, but would provide the proposed changes to the Senate Finance Committee. She commented that when considering the makeup of other states'

arts boards, many of which have 9 members instead of 11, they propose to change Alaska's Board of Trustees from 11 to 9 members for cost savings purposes. The proposed CS also recommends the council appoint regional ambassadors and delete the reference to the federal code, which is unnecessary for the bill or for the council to function. The CS would also require the council to report how it can reduce state funds by 50 percent over a five-year period and report it next January. There was also an omission of transitional language in the proposed CS related to the length of Board of Trustee service.

[8:13:07 AM](#)

SENATOR GIESSEL asked why we are doing this.

BEN BROWN, Chair, Alaska State Council on the Arts, presented information on SB 66. He explained that since Senator Giessel was not present for the first hearing of the bill, he would be glad to address her question. The Alaska State Council on the Arts has decided to be a part of the budget solution and going to a quasi-private status will make for a more effective and efficient player in state government. The bill restructures the council to still be eligible for federal matching funds and makes it easier to seek out, receive, and expend private foundation monies. He spoke of their very good relationships with the Rasmussen and Margaret A. Cargill Foundations and their intent to seek other partners out.

[8:14:21 AM](#)

CHAIR HUGHES asked Mr. Brown to respond to the proposed recommendations.

MR. BROWN replied that the council is ok with reducing the number to nine, rather than eleven trustees. The transition language was problematic, but is going to be fixed. Removing the reference to federal legislation is not a problem. Creating ambassadorships is a good idea.

He addressed the proposal for the council to report back on their five-year plan and shared the council's willingness to look for earned income opportunities.

[8:16:26 AM](#)

CHAIR HUGHES asked whether the council houses the loan library of art for public offices.

MR. BROWN said yes. They are the repository and managers of the Alaska Contemporary Art Bank. They currently do not charge for that service, but might look at monetarizing those assets.

CHAIR HUGHES brought that idea up in a finance subcommittee. She appreciated the council's willingness to look at that kind of opportunity.

MR. BROWN commented on the winner of Poetry Out Loud.

[8:18:00 AM](#)

SENATOR GIESSEL moved to report SB 66, version 30-LS0435\D, from committee with individual recommendations and attached fiscal notes.

There being no objection, SB 66 passed from the Senate Education Standing Committee.

[8:18:17 AM](#)

At ease

[8:19:21 AM](#)

CHAIR HUGHES made announcements.

[8:19:37 AM](#)

There being no further business to come before the committee, Chair Hughes adjourned the Senate Education Standing Committee at 8:19 a.m.